## LEGISLATIVE SERVICES AGENCY OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

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## FISCAL IMPACT STATEMENT

**LS 7331 NOTE PREPARED:** Jan 8, 2011

BILL NUMBER: HB 1372 BILL AMENDED:

**SUBJECT:** Public Transportation Corporations.

FIRST AUTHOR: Rep. GiaQuinta BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: GENERAL IMPACT: State & Local

DEDICATED FEDERAL

<u>Summary of Legislation</u>: The bill authorizes the following funding sources for public transportation corporations: (1) The county adjusted gross income tax. (2) The county option income tax. (3) The county economic development income tax. (4) The local option income tax imposed for public safety purposes. (5) A referendum tax levy. (6) A \$10 municipal green registration fee.

Effective Date: July 1, 2011.

**Explanation of State Expenditures:** The bill will minimally increase costs for the Bureau of Motor Vehicles (BMV) or its branch managers to collect and remit a "green registration" fee if it is imposed by a city fiscal body. The BMV or its branch manager will remit a report on a form prescribed by the State Board of Accounts.

## **Explanation of State Revenues:**

**Explanation of Local Expenditures:** If the fiscal body of a city adopts a resolution to put a referendum tax levy on the ballot, additional costs may be incurred for printing ballots if the election will be held at the primary, general, or municipal election at which all the registered voters of the public transportation corporation are entitled to vote. However, if the question is placed in a special election, additional costs will be paid by the public transportation corporation.

<u>Background:</u> When special elections occur, the largest expenditures are ballot printing costs (in counties with optical scan systems) and precinct election board expenditures. The following table shows the precinct

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election officers as provided by law. The table also includes the average pay per election by each office.

Type of officer	Number	Average Pay per Election*
Inspector	1	\$129
Judge	2	97
Poll Clerk	2	94
Sheriff**	2	106
Asst. Poll Clerk**	2	94

<sup>\*</sup>Based on a survey of all counties with 57 responding.

Many counties are not able to fill every position and several do not have assistant poll clerks. Additionally, counties may by resolution of the entire election board, discontinue sheriff and poll clerk appointments. Very few counties in the survey had assistant poll clerks or sheriffs.

**Explanation of Local Revenues:** The bill provides additional funding sources to pay any operating expenses of a public transportation corporation from the following sources.

Local Option Income Taxes: This bill would allow cities and counties to fund the operation of a public transportation corporation with their share of revenue distributed from the public safety LOIT, or the legacy CAGIT, COIT, and CEDIT taxes. This bill would allow an additional use for the revenue but would not change the total amounts distributed to the taxing units.

Referendum Tax Levy: A city fiscal body may adopt a resolution for a referendum tax levy that may be imposed for up to seven years. The tax levy may be used to pay any operating expenses of a public transportation corporation. If a referendum fails to receive a majority of the persons who voted in the referendum, another referendum may not be held for one year. Property taxes that are levied as a result of a referendum are exempt from the circuit breaker caps.

Municipal Green Registration Fee: A city fiscal body may impose a "green registration fee" of \$10 on passenger vehicles and trucks under 11,000 pounds. The fee will be collected by the BMV, which will remit the fees collected to the city fiscal officer. There are eight public transportation corporations in Indiana. Data for vehicle registrations are available at the county level, not the city level. Therefore, the estimated number of city registrations was based on the ratio of population in the city to the population in the county. The following table provides estimates of the revenue the public transportation corporations could receive if the cities of these existing corporations were to impose the green registration fee.

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<sup>\*\*</sup>May be eliminated by resolution of entire county election board.

County	Public Transportation Corporation	City Registrations*	Estimated Revenue	
Allen	Fort Wayne	256,043	\$2,560,430	
Delaware	Muncie	67,651	676,510	
Lake	Gary	51,364	513,640	
Marion	Indianapolis	746,224	7,462,240	
Marion	Speedway	2,428	24,280	
Monroe	Bloomington	82,699	826,990	
St. Joseph	South Bend	112,883	1,128,830	
Tippecanoe	Greater Lafayette	82,527	825,270	
* For passenger vehicles and trucks less than 11,000 lbs. Source: BMV				

**State Agencies Affected:** BMV and BMV branch offices.

**Local Agencies Affected:** Public transportation corporations; City fiscal bodies; County election boards.

Information Sources: LSA county survey on precinct election officer per diem, BMV, local government database.

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